

Foresighting Forum 2018: Day 2 opening address

Speech by Rosemary Sinclair, CEO of Energy Consumers Australia
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This is the opening address CEO Rosemary Sinclair presented at day 2 of Energy Consumers Australia's annual flagship event Foresighting Forum 2018.

In know there are some new faces in the room so I want to re-cap on yesterday.

And start by briefly recapping my opening remarks.

The reason I want to do this is that reflecting over night, I think we had a game changing conversation in a room of over 250 people...a conversation that might be the start point of a positive re-making of the energy sector about the consumers, for the consumers and from the perspective of consumers

I said yesterday, our deliberate *future-orientated* framing "Take Charge: shifting power to consumers" is consistent with the philosophy of the Foresighting Forum...a forward focus on issues we can only solve together.

And that our compass through the thicket of self-interested positions as we work to restore community confidence will be a shared focus on re-shaping the energy sector into one that consumers want.

To understand and respond to what consumers want, we have to deal with two sets of issues:

The now – where the issue is Affordable Energy.

The next – where the issue is Optimised, Individualised Energy.

We started yesterday with Panel Sessions on The Affordability challenge and Retail Outcomes for Consumers in the morning and Energy Efficiency (I prefer Energy Management) and Shape, shift and Shed – taking down the peak in the afternoon.

Those sessions were notable for our ability to explore tough options, for everyone to have their say, for new thinking to emerge and for some serious solutions to be tabled for exploration.

A re-think of support measures, looking beyond the energy sector for solutions, a focus on engaging whole communities in the discussion, discussion about the important role of data access and portability, commitment to deal consumer circumstance and consumers behaviour IN to engineering and economics, finding a way to galvanise whole of government, whole of industry, whole of community in Energy Management.

I also said yesterday that, the community is telling us that decisions about reliability and emissions must be taken within an 'affordability constraint'. They are telling us that 'affordability' can't be merely aspirational – it must be an actual outcome of 'The System'. It must be an explicit criterion in our decision-making up and down the supply-chain. And consumers must see evidence of this on the bills.

That our highest priority right now – and a focus for our conversations yesterday and today – is acting on this clear signal from the community. Our view is that we together – all of us, energy companies, market designers, regulators, market operators, policy makers and advocates need to do two things:

- Work within an '*affordability constraint*' across the sector; and
- Directly and quickly empower consumers with services, tools, information, to help them get control of their energy use and costs. And remember we are talking about managing not rationing.

We need to reduce the pressure on consumers now, to create confidence for a transformation that will require new investment, experimentation, and risk-taking.

I spoke about the 'Trilemma', as a dominant concept in energy circles, which sees transformation as a closed system problem, requiring three objectives – objectives in tension – to be solved: emissions reduction, reliability and affordability.

Our sense is that 'Trilemma Thinking' tends to narrow or confine thinking to the short term and current technology, causing decision makers to default to big, supply-side solutions, rather than exploring fully the possibilities of new technology and a system where reliability, affordability and emissions reduction might *align* – for example, because efficiently deployed decentralised renewable energy resources reduce the cost of energy and increase the resilience of the system.

One of the highlights from yesterday was already people are working hard to find alignment to integrate behaviour, technology and prices.

Today we will be discussing Reliability and the New Markets and Services that will in our view take us to alignment, away from trade-off. The key to this is creating value for consumers with consumers – individuals or community. Way past engineering, way past economics...right to "about the consumer, for the consumer, from the perspective of the consumers."

And we will finish the Forum by going back to Affordability – looking at the key initiatives, inquiries and reviews that could contribute to improving whole of system affordability, minimising costs for consumers.

We are looking for a much more positive framing of accountability, looking for outcomes that recognise:

- That the consumer is taking charge,
- That their data is their *asset*,
- That consumers need energy companies that are responding to incentives embedded in a system and market designed to **optimise** outcomes
- That consumers want energy services (including the bill) increasingly **individualised** in a way that we enjoy in other sectors.

Again today we need to work together to think about these challenges from the perspective of households and small businesses...

The discipline of “about the consumer, for the consumer, from the perspective of the consumer” is informed by our own experience as Louise said last night through the Power Shift project which is challenging our thinking about energy services for *all* consumers, and about how consumers will transform the energy system.

The *affordable, optimised, individualised* future is one as was demonstrated yesterday we build together through dialogue and collaboration.

I said, “At times of complexity and change, the easiest thing to do is to retreat to the certain, the clear position that I know is in my interests, I will add today a saying from a very valued mentor “Rosemary, at moments of crisis, some people nose dive straight to the periphery...of self interest.”

Right now the community is expecting more from us, the decision makers in a sector that is essential – to comfortable homes, to competitive businesses.

Again, I thank you for your willingness to come together, to open-up, debate, talk and explore.

I am looking forward to another day of discussion focused on exploring solutions!

Thank you.